EXHIBIT B

1-ATF-010701; ...of Asst ...10704; One Pallet Smokeless ...706; One Pallet ...garettes, $300.00; ...ining 24 Cases of ...0; 11-ATF- ...Tobacco ...797; One Pallet ...co Products; ...allet Containing ...acco Products; ...let Containing ...0.00; 11-ATF- ...o Products;

011294; 8 Rds Winchester-Western Ammo CAL:22; $0.60; 11-ATF-011295; 466 Rds Winchester-Western Ammo CAL:22; $46.60; 782080-11-0037; 04/20/2011; 18 USC 924(d); Laredo, TX; 11-ATF-011471; Bushmaster Firearms XM15-E2S Rifle CAL:223 SN:L445343; $700.00; 11-ATF-011472; Beretta USA Corp 92FS Centurion Pistol CAL:9 SN:BER332652; $300.00; 782115-11-0028; 04/14/2011; 18 USC 924(d); Weslaco, TX; 11-ATF-011432; 1640 Rds Asst Ammo CAL:**; $184.00; 782115-11-0033; 02/24/2011; 18 USC 924(d); McAllen, TX; 11-ATF-009997; 3 Rds Winchester-Western Ammo CAL:380; $0.30; 781035-11-0165; 04/14/2011; 18 USC 924(d); Sierra Blanca, TX; 11-ATF-011072; LLAMA (Gabilondo & CIA) IXA Pistol CAL:45 SN:A1022; $100.00; 11-ATF-011077; 5

CAL:22 SN:L375632; $500.00; 11-ATF-010871; 713 Rds Asst Ammo CAL:*; $71.30; **WISCONSIN 778020-11-0076**; 04/15/2011; 18 USC 924(d), Green Bay, WI; 11-ATF-010820; Yugoslavia 59/66 Rifle CAL:762 SN:K420202; $100.00; 11-ATF-010826; Winchester 94 Rifle CAL:30-30 SN:4682731; $215.00; **WEST VIRGINIA 768060-11-0021**; 04/08/2011; 18 USC 924(d); Martinsburg, WV; 11-ATF-010023; Ruger LCR Revolver CAL:38 SN:540-08014; $479.99; 11-ATF-010026; 5 Rds Hornaday Ammo CAL:38; $0.50; 11-ATF-010029; 20 Rds Hornaday Ammo CAL:38; $2.00; 11-ATF-010030; 22 Rds CCI Ammo CAL:40; $2.20; 11-ATF-010931; 40 Rds Asst Ammo CAL:22; $4.00;

...PTER 53; 28-75...PROPERTIES WERE SEIZED FOR VIOLATION OF TITLE 26 USC CHAPTER 75; 18-44...PROPERTIES WERE

BANKRUPTCIES

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

In re LEHMAN BROTHERS HOLDINGS INC., et al., Debtors.	Case No. 08-13555 (JMP)

IMPORTANT NOTICE for the holders of securities issued by the following issuers: AIRLIE CDO I, LTD., AIRLIE LCDO I (AVIV LCDO 2006-3), LTD., AIRLIE LCDO II (Pebble Creek 2007-1), LIMITED, AVIV LCDO 2006-1, LIMITED, AVIV LCDO 2006-2, LIMITED, EXUM RIDGE CBO 2006-1, EXUM RIDGE CBO 2006-2, LTD., SGS HY CREDIT FUND I (EXUM RIDGE CBO 2006-3) LTD., EXUM RIDGE CBO 2006-4, LTD., EXUM RIDGE CBO 2006-5, LTD., EXUM RIDGE CBO 2007-1, LTD., EXUM RIDGE CBO 2007-2, LTD., PEBBLE CREEK LCDO 2006-1, LIMITED, PEBBLE CREEK LCDO 2007-3, LTD., WHITE MARLIN CDO 2007-1, LTD., AND RACERS 2006-20-AT.

Lehman Brothers Special Financing Inc. ("LBSF"), has initiated an alternative dispute resolution proceeding related to the credit derivative transactions that are part of the transactions listed above. This proceeding may affect your rights as a holder of securities. Please contact U.S. Bank National Association, as Trustee, Attn: Jonathan DeMarco at (617) 603-6552 or jonathan.demarco@usbank.com or Donald Higgins at (617) 603-6717 or donald.higgins@usbank.com for further information.

U.S. Bank National Association, as Trustee

INTERNATIONAL NOTICES

Terex Industrial Holding AG
with its registered seat in
Düsseldorf, Germany

Notice regarding the voluntary public purchase offer to the shareholders of

Demag Cranes AG
with its registered seat in
Düsseldorf, Germany

In accordance with section 14 para. 3 sentence 1 no. 2 of the German Securities Acquisition and Takeover Act (Wertpapiererwerbs- und Übernahmegesetz (WpÜG))

As of today, the offer document concerning the voluntary takeover offer of Terex Industrial Holding AG with its registered seat in Düsseldorf and its business address at Lindemannstrasse 81, 44137 Dortmund, Germany, to the shareholders of Demag Cranes AG with its registered seat in Düsseldorf (ISIN DE000DCAG010), is available in German and in a non-binding English translation on the internet at http://www.industrialholding-angebot.de. In addition, copies of the non-binding English translation of the complete offer document are available for distribution free of charge by contacting Commerzbank AG, ZCM-ECM Execution, Mainzer Landstrasse 153, 60327 Frankfurt am Main, Germany (requests can be made by facsimile at + 49 69 136-44598).

Further updates regarding the progress of the offer will be made available periodically in English on the internet at http://www.industrialholding-angebot.de.

Düsseldorf, May 19, 2011

Terex Industrial Holding AG

2011

... either through counsel of their own choosing and at their own expense or may appear on their own. However, no Synthes shareholder shall be heard at the Final Hearing unless (i) by June 17, 2011, such shareholder has filed with the Court and delivered to the Settling Parties' counsel a notice of objection and the ground for opposing the Settlement, and (ii) at or before the Final Hearing, such shareholder provides proof of status as a record holder and/or beneficial owner of the common stock of Synthes as of April 19, 2011, and the dates of Synthes stock ownership. All such objections must be filed with the Court and delivered to counsel as identified below.

Robert A. Hoffman, Esq.
BARRACK, RODOS & BACINE
3300 Two Commerce Square
2001 Market Street
Philadelphia, PA 19103
Counsel for Plaintiff

Joel L. Frank, Esq.
LAMB McERLANE PC
24 East Market Street
P.O. Box 565
West Chester, PA 19381
Counsel for the Individual Defendants

Ann B. Laupheimer, Esq.
BLANK ROME LLP
One Logan Square
130 North 18th Street
Philadelphia, PA 19103
Counsel for Nominal Defendant, Synthes, Inc.

Only shareholders who have filed and delivered timely written notices of objection will be entitled to be heard at the Final Hearing unless the Court orders otherwise. Any Current Company Shareholder who fails to object and present proof of ownership of Synthes stock in the manner provided in the preceding paragraph of this Notice shall be deemed to have waived such objection and shall forever be foreclosed from making any objections to the fairness, adequacy, or reasonableness of the Settlement and to the Fee Award to Plaintiff's Counsel, and shall be bound by the Judgment to be entered and the releases to be given.

(1) This notice should be read in conjunction with, and is qualified in its entirety by reference to the text of the Stipulation, which has been filed with the Court and is available on the websites of Synthes, www.synthes.com, and Plaintiff's Counsel, www.barrack.com. All capitalized terms herein have the same meanings as set forth in the Stipulation.

PLEASE DO NOT TELEPHONE THE COURT CONCERNING THIS NOTICE.
Dated: May 10, 2011
BY ORDER OF THE COURT OF COMMON PLEAS, CHESTER COUNTY

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SOUTHERN DISTRICT OF NEW YORK

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U.S. Bank National Association, as Trustee

#000043, Smith and Wesson .44 magnum handgun, S/N BEC2250, Hi-Point .380 caliber pistol, S/N P900201, Jennings 9mm pistol, S/N 757990, RG .22 caliber pistol, S/N L618209, Smith & Wesson revolver, S/N S30225, Smith & Wesson revolver, S/N R714820

NORTHERN DISTRICT OF GEORGIA
3040-11-0080; $37,750; SUA; 03/30/2011; Hennessy Cadillac Service Center, 3377 Satellite Boulevard, Duluth, GA; 2008 Cadillac Escalade VIN# 1GYFK63818R168417
3040-11-0081; $3,900; SUA; 03/31/2011; parking lot at Cracker Barrel, 4758 Friendship Road, Buford, GA; ladies princess cut diamond engagement ring, ladies princess cut diamond wedding band, ladies

Call 1

THE WALL STREET JOUR

[illegible]

OF MONTANA

[illegible]

[illegible] CH, James Jennings Hallberg AKA James Hallberg AKA James J. Hallberg 03/10/11

11-DEA-[illegible], 50" Samsung Television [illegible] Series, Ser No [illegible], VL $3,000.00, Akron, OH, James Jennings Hallberg AKA James Hallberg AKA James J. Hallberg 03/10/11

11-DEA-[illegible], $2,000.00 U.S. Currency, Akron, OH, Edward [illegible] AKA Edward E. [illegible] 03/1[illegible]/11

11-DEA-[illegible], $[illegible] U.S. Currency, Perrysburg, OH, Ernest Ray Phillips AKA Earnest Ray Phillips AKA Ernest Lee Phillips AKA Ray Phillips AKA Ray Phillips 03/23/11

11-DEA-[illegible], 2008 Chevrolet Silverado 2500, [illegible], Akron, OH, James Jennings Hallberg AKA James Hallberg AKA James J. Hallberg 03/21/11

11-DEA-[illegible], $[illegible] U.S. Currency, Campbell, OH, Julio Agront 03/18/11

SOUTHERN DISTRICT OF OHIO

11-DEA-[illegible], [illegible] Semi-Automatic Handgun, Ser No [illegible], VL $115.00, Miamisburg, OH, Amon Smith AKA Amon R. Smith 03/24/11

11-DEA-[illegible], (3) Assorted Firearms, VL $720.00, (1) Norinco MAC 90 Sporter 7.62 Caliber AK-47 Rifle, Ser No [illegible], (1) Taurus M410 Revolver, Ser No [illegible]

11-DEA-[illegible], $[illegible] U.S. Currency, [illegible], VA, [illegible] Brown 03/24/11

11-DEA-[illegible], [illegible] Lexus GS300, [illegible], Petersburg, VA, [illegible] Lorenzo Raney 03/31/11

11-DEA-[illegible], 1997 Chevrolet SS Monte Carlo, [illegible], Petersburg, VA, [illegible] Lorenzo Raney 03/31/11

11-DEA-[illegible], 2002 Infiniti Q45, [illegible], Petersburg, VA, [illegible] Lorenzo Raney 03/31/11

DISTRICT OF VERMONT

11-DEA-[illegible], $4,500.00 U.S. Currency, Burlington, VT, Sam Grady 03/31/11

EASTERN DISTRICT OF WISCONSIN

09-DEA-[illegible], $1,840.00 U.S. Currency, Milwaukee, WI, Comfort [illegible] Johnson [illegible]

11-DEA-[illegible], $[illegible] U.S. Currency, Shorewood, WI, Arthur Lever Jones 03/31/11

11-DEA-[illegible], $2,375.00 U.S. Currency, Milwaukee, WI, Oray Edward Timms 03/2[illegible]/11

[The property listed above is NOT for sale. The DEA DOES NOT sell forfeited property and the DEA DOES NOT have information on property for sale.]

[illegible]BLIC NOTICES

[illegible] TO CUSTOMERS OF

[illegible]INANCIAL SERVICES, INC.

[illegible]at **WallStreet*E Financial Services**, Inc. [illegible] De Leon Boulevard, Coral Gables, FL 33134-[illegible] of a Direct Payment Procedure pursuant to [illegible]estor Protection Act ("SIPA"), 15 U.S.C. §78fff-[illegible]ocedure, the Securities Investor Protection [illegible] timely filed claims of customers of WallStreet*E [illegible]

[illegible] **under SIPA must be filed with SIPC on or [illegible]e on November 23, 2011 at the address set** [illegible]PC cannot pay or otherwise satisfy, in whole [illegible]y the deadline

[illegible]he Direct Payment Procedure for WallStreet*E [illegible] and, together with a copy of this notice, will [illegible]otice to investors with accounts at WallStreet*E [illegible]ses appear on the books and records of [illegible] does not receive a claim form within fifteen [illegible] may obtain a claim form on SIPC's website at [illegible]SIPC at the following address:

[illegible]TOR PROTECTION CORPORATION
[illegible]PAYMENT PROCEDURE
[illegible]E FINANCIAL SERVICES, INC.
[illegible]STREET, N.W., SUITE 800
[illegible]INGTON, DC 20005

[illegible]ng of a claim is complete only upon receipt of [illegible]us, **no claim of a customer of WallStreet*E** [illegible] **actually received by SIPC on or before the** [illegible]**ber 23, 2011**. Timely filing and proof of timely [illegible]ty of the claimant. In this regard, you should [illegible] **tified mail - return receipt requested or with** [illegible]**ing which provides you with proof of receipt** [illegible]ve as verification that your claim was received

BANKRUPTCIES

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

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U.S. Bank National Association, as Trustee

Bond fund flows signal shift

Money pours into emerging market debt

Risk fears hit several European countries

By Robin Wigglesworth in London

Money is continuing to pour into emerging market bond funds, subduing the cost of borrowing for developing countries and underlining the shift in economic power away from the western heavyweights of the financial system. Eight consecutive weeks of net inflows have taken the total invested in these funds this year to $7.8bn, according to EPFR, the fund data provider.

This has reduced the yield on emerging market dollar-denominated sovereign and corporate debt to 5.48 per cent on average, from 6.14 per cent a year ago, at a time when aggregate global yields have edged up, according to calculations by Barclays Capital for the Financial Times.

Indonesia's fresh $2.5bn bond, for example, yields 4.7 per cent, less than similar maturity euro-denominated debt of Italy and Spain.

Brazilian and Mexican government bonds are trading on similar or lower yields than equivalent Belgian and South Korean sovereign debt issues.

Some emerging market countries are now judged to be less risky borrowers than several western European countries.

The credit default swap index for 15 major emerging market countries has fallen by a third to 206, while the iTraxx SovX index for western European CDS has climbed to almost 190.

"Emerging market debt is no longer a niche," Simon Lue-Fong, head of emerging market debt at Pictet, the asset manager, said "It's losing its risk premium as the developed world has shot itself in the foot. "Fundamentally, emerging markets are just less leveraged, and thus more able to repay their loans."

> 'Emerging market debt . . . is losing its risk premium as the developed world has shot itself in the foot'

Robust inflows into emerging market bonds stand in contrast to nervousness over potentially overheating equity markets in developing countries, and the debt crisis in western Europe's periphery.

Investors have pulled $12.9bn out of European bond funds this year, and more than $7bn was withdrawn from global equity funds last week, of which $1.8bn came from emerging market equity funds, according to EPFR.

This selling has pushed MSCI's benchmark Emerging Markets index down 1 per cent so far this year, while bonds sold by governments and companies in developing countries have largely held firm.

Analysts have voiced concern over the scale of the inflows into emerging markets. Equity markets have attracted the most attention, but some say borrowing costs are being pushed too low given the risks.

Credit-fuelled boom, Page 4

It's full steam ahead for Citi skipper

News analysis

It was anything but plain sailing after Vikram Pandit took on the 'Titanic', but now he has landed a $22m package, writes Justin Baer

Vikram Pandit spent most of his first two years after being made Citigroup chief executive in 2007 defying expectations that his days at the US bank were numbered as it came perilously close to collapse during the financial crisis.

But last week, as Citi seeks to build on its first annual profit in three years, the bank's directors rewarded Mr Pandit with a set of retention awards that all but ensures he will remain in his job for the foreseeable future – and that he will be paid handsomely to do it.

The $22m package of restricted shares, deferred cash and stock options was an unequivocal statement by Citi's board that Mr Pandit had emerged from the crisis on a more solid footing than many of his counterparts. "By almost any measure, Citi is further along than you could have imagined," Richard Parsons, Citi's chairman, told the Financial Times. "Who could complain about how things have gone so far?"

But critics question the low bar that Citi's profit-sharing plan has set for Mr Pandit.

"This is outrageous," said Mike Mayo, an analyst at CLSA, the brokerage and investment group, who rates Citi an 'underperform'.

"We have no problem if CEOs that create long-term shareholder value are paid commensurate with those benefits," he added. "This plan does not do this.

"It encourages risk-taking with little long-term repercussions, much like what we saw before the crisis."

Almost immediately after his appointment in December 2007, former Morgan Stanley executive Mr Pandit found himself under the gun. It was, as he acknowledged during an address to the Wharton business school, "a bit like becoming captain of the Titanic after the ship hit the iceberg".

There were moments during the crisis when Mr Pandit appeared destined to walk the plank. Within a year of his promotion, he believed he had reached a deal to acquire Wachovia. Yet as Citi executives sought to finalise the deal, Wells Fargo emerged with a rival bid that won over the Charlotte-based lender.

The episode was an embarrassment for Citi, and left a rift with regulators whom Mr Pandit had accused of allowing Wells Fargo to "steal" Wachovia.

Mr Pandit soon replaced his finance chief, Ned Kelly, amid tensions with regulators. By April 2009, Mr Pandit faced new questions about his leadership. Concerned about whether Citi might need another injection of government aid, senior officials at the Federal Deposit Insurance Corporation discussed privately who might replace him.

The bank's stock had tumbled almost 90 per cent. Citi owed the government $45bn, and had begun a programme of shedding billions of dollars of businesses and assets that did not fit Mr Pandit's strategy of focusing on consumer, corporate and investment banking.

Perhaps, as critics maintain, Citi has merely exceeded expectations that had been repeatedly lowered by the string of blunders of Mr Pandit's predecessors. Maybe the bank should count its blessings for having a smaller mortgage business than Bank of America, whose home-loan arm remains its biggest millstone. Or that Carl Levin, chairman of the US Senate's permanent subcommittee on investigations, has not accused Citi executives of misleading congress – allegations that have weighed on Goldman Sachs' shares.

But Citi has reeled off five successive profitable quarters. While its shares have fallen in value in recent months along with its peers amid lingering economic and regulatory uncertainty, Citi has outperformed all of its top competitors in the past year.

In March Mr Pandit even reinstituted the bank's dividend. Along the way, Mr Pandit convinced his board that he was the right executive to lead the bank as Wall Street steps out into its new era. For a CEO who once appeared a few missteps away from dismissal, the storm may have passed.

See Lex

Solid footing: Vikram Pandit

Japanese companies seek to take a bite of foreign growth

News analysis

Moves prompted by weak domestic economy, strong yen and low interest rates, says Lindsay Whipp

In the world of mergers and acquisitions, Japan has rarely been a shining example of bold moves.

But last week's combined $16bn of European acquisitions by Takeda and Toshiba raises the prospect of Japanese companies taking advantage of the strong yen and rock-bottom interest rates to buy overseas growth.

Deflation continues to be a problem for Japan, which is also weighed down by huge government debt and a falling population. Japan's fragility was underscored last week with data showing the country had slipped back into recession under the strain of the tragic earthquake and tsunami on March 11.

Yasuchika Hasegawa, chief executive of Takeda, Japan's largest drugmaker and among the most aggressive companies when it comes to overseas acquisitions, says looking beyond Japan for growth opportunities makes sense given the outlook for the domestic economy.

"The alternative is to go outside to get part of the growth pie," says Mr Hasegawa. "If you logically consider the situation we are in, maybe many chief executives are thinking the same way."

The prospect of slow domestic growth is nothing new for Japanese managers who have been dealing with falling prices for most of the past decade. But the outbound acquisition numbers, which this year have reached a record $34.7bn, according to Dealogic, suggest companies are beginning to seek more deals outside Japan.

Takeda and Toshiba initiated talks with their respective targets – Nycomed and Landis & Gyr – before the disaster, suggesting that for many companies the tragedy has not prompted management to abandon or postpone long-term overseas expansion plans. It has probably compounded the need to diversify following the global financial crisis, one banker says.

"Two major crises that should only happen once in 100 and 1,000 years happened over a five-year period," said Yuichi Jimbo, deputy president of Citigroup Global Markets in Japan.

"So many people are feeling that volatility in the world is increasing and they need to be really prepared and diversify their manufacturing base [and markets]."

But that does not mean that they will necessarily win the deals. Japanese management faces stiffer competition from private equity firms with replenished funds, and aggressive companies, including government-backed Chinese groups, for a smaller pool of available targets, due to an M&A boom earlier in the past decade.

"Japanese companies may have missed the window when there was less competition for assets," said Edward Cole, a lawyer at Freshfields Bruckhaus Deringer in Tokyo. "A trend we may see is Japanese companies tying up with private equity firms to buy something together."

While last week's deals represented a marked increase in size on the usual deals involving Japanese buyers, it is not unusual for larger deals to overshadow a plethora of smaller ones. So far this year there have been a total of seven agreed $1bn-plus deals where Japanese companies have been the acquirers, totalling $23.4bn, including Takeda and Toshiba, and 223 deals worth a combined $11.9bn, according to Dealogic.

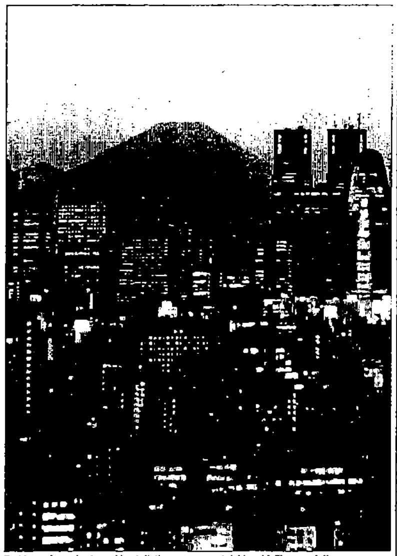
Some bankers argue that this is partly because so many domestic industries remain fragmented, reducing profitability that could have been channelled into bolder acquisitions overseas.

Observers say there is a need for domestic consolidation in many sectors. A merger between Nippon Steel and Sumitomo Metal in February raised hopes that more could follow – but this is yet to happen.

Bankers also point out that unlike in Europe and North America, selling a company in Japan is unlikely to reward management financially, as they rarely own shares in the businesses they manage.

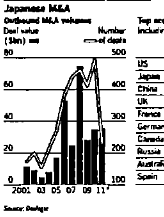
Mr Hasegawa is unequivocal about his lack of interest in pursuing a domestic acquisition strategy, because of the need to make redundancies at the acquired company to create value for shareholders. The target company's employees could believe they would become "second-class citizens" being absorbed into a much bigger company, explained Mr Hasegawa.

"If I need to spend my energy as a top executive of a company, I'd rather spend my time on a more rewarding opportunity [overseas] in terms of return on investment," he says.



Problems: Japan is plagued by deflation, government debt and falling population Bloomberg

Japanese M&A

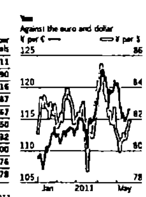


Source: Dealogic

Top acquiring M&A nations including domestic deals*

	Deal value ($bn)	Number of deals
US	499.9	3,911
Japan	84.6	1,090
China	67.7	1,216
UK	64.1	987
France	54.2	567
Germany	52.0	450
Canada	44.9	1,132
Russia	34.1	1,000
Australia	30.3	576
Spain	26.4	278

* Year-to-date 2011



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U.S. Bank National Association, as Trustee

Banks battle for $1bn road

By Helen Thomas in New York

Goldman Sachs and Morgan Stanley are squaring off in the bidding to finance and operate one of Puerto Rico's busiest roads as a 10-month-long privatisation process approaches its conclusion.

The infrastructure funds of the Wall Street rivals are expected to submit final bids at the end of May for the PR-22 concession, a 52-mile highway that runs west of San Juan along Puerto Rico's northern coast, people familiar with the matter said. The project could fetch about $1bn, they added.

Goldman's $3.1bn fund is working with Spain's Abertis on its bid, while Morgan Stanley's $4bn fund is partnered with OHL, another Spanish infrastructure company. The pair were among four groups shortlisted last year to bid on the project. But Citigroup's infrastructure fund and Brazilian toll road operator CCR have since dropped out, people familiar with the process said.

The banks declined to comment. Forthcoming regulations, including the so-called Volcker rule, could limit banks' ability to invest in infrastructure where funds include the bank's own money. However, the rules are still being worked out.

Debt-laden Puerto Rico is blazing ahead with privatising the island's infrastructure, after a troubled period for similar projects in the US. Puerto Rico is a self-governing commonwealth but uses the US dollar and is treated similarly to US states. The island's toll road project, the first of a package of proposed public-private partnerships, would be the largest of its kind since the financial crisis.

Political resistance stymied an ambitious $12.8bn proposal to privatise the Pennsylvania Turnpike in 2008. Other so-called P3 projects, including Pittsburgh's parking garages and meters, have also encountered opposition. But interest in harnessing private capital is picking up as budget constraints force US authorities to scale back construction projects and authorities think about how best to build and improve critical infrastructure.

"There is a significant uptick at the state and local level in terms of the number of governments exploring public-private partnerships as an option and in terms of governments looking at a wider variety of projects, such as toll roads, water and schools," says DJ Gribbin, a managing director at Macquarie Capital.

The Department of Transportation has recently met advisers and state officials to canvass ideas about how to help states bring transport projects to market. Some advisers see Puerto Rico's experience as a possible model for future projects in the US.

Puerto Rico is expected within weeks to launch the privatisation process for San Juan airport, which could become the first such deal in the US. An agreement to privatise Chicago's Midway airport collapsed in 2009 when Citigroup could not find financing for its $2.5bn bid.

PR-22 generated $85.1m of revenue in 2008. The government is offering a 50-year concession to finance, operate and maintain the road, in conjunction with a smaller freeway, PR-5.

Puerto Rico's PR-22 is a 52-mile stretch of highway

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Mideast unrest

Bahrain races to restore normality

Deadline looms for Grand Prix decision

Motor circuit staff allege beatings

By Simeon Kerr in Manama

Bahrain, traumatised by months of protest and repression, hopes to reschedule its Formula 1 race for later in the season after it was cancelled in March because of large pro-democracy protests.

Many, especially regime supporters, hope the government will decide by its June 3 deadline to go ahead with the Grand Prix, marking a return to normality for the Gulf business hub.

But even motorsport has been dragged into the Sunni-dominated government's campaign against largely Shia protesters since the crackdown on the Pearl roundabout in mid-March, and widespread allegations of heavyhanded tactics, including torture, undermine the prospect of reconciliation between the majority Shia community and the ruling Sunni elite determined to restore order to the tiny island.

The government-owned Bahrain International Circuit is due to host the Formula 1 race. But about a quarter of its staff – all Shia – were arrested in early April and most have since been suspended or sacked, according to one of those detained who declined to be named for fear of retribution. The group included three women and two senior staff, he told the Financial Times.

"They were all slapping and kicking me as they led me down the corridor," he says of the police, who conceal their identities by using Shia nicknames.

"He [the policeman] put my head between his legs, flipped me on to the floor – and then the beatings really began," according to the detainee, who still has bruises on his kidney and upper back. The beatings worsened if he did not admit he had visited the roundabout, taken orders from Shia politicians, or seen weapons, he said.

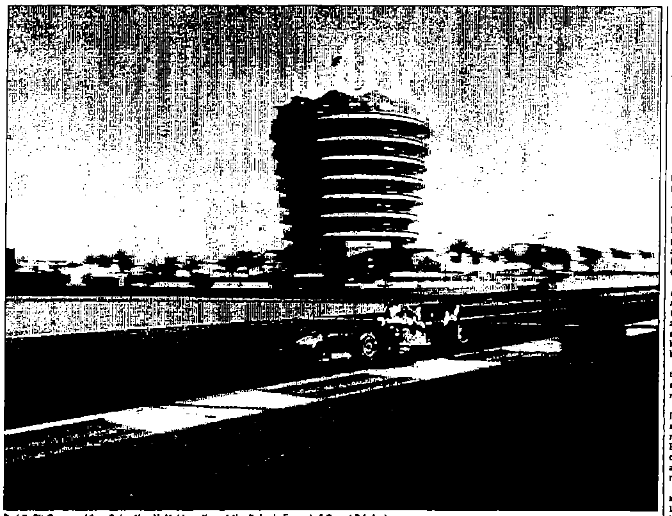
BIC declined to comment. One person close to the government says the employees were sacked for cheering the cancellation of the race. The government denies the use of torture.

"Allegations are exaggerated or unfounded to gain international sympathy," says Sheikh Abdulaziz bin Mubarak al-Khalifa, a government spokesman. "They should issue a complaint to the authorities."

He also points out that policemen have been charged for using excessive force against protesters who died in detention.

Moderates in Bahrain hope that the lifting of effective martial law, scheduled for June 1, will be followed by reconciliatory steps introduced by the crown prince, Sheikh Salman bin Hamad al-Khalifa, who also oversees the Grand Prix. But many wonder whether the country can recover from the tough measures instituted as the ruling Al-Khalifa family seeks to put an end to the pro-democracy movement.

"By embarking on a policy of repression, the government is escalating sectarian tensions," says Human Rights First, a US-based human rights group.



Red Bull's German driver Sebastian Vettel in action at the Bahrain Formula 1 Grand Prix last year AFP/Getty

Regime fights back in cyberspace

Facebook, YouTube and Twitter continue to be an important battleground in the propaganda war behind the Arab uprisings, but anti-government voices from Bahrain no longer dominate the debate in cyberspace, writes Simeon Kerr.

Bahrain Online, a banned internet forum, helped plan the protest movement's strategy on February 14, the day of rage inspired by uprisings in north Africa.

One user posted pictures of three potential sites for Bahrain's own Tahrir Square, the location of Egypt's anti-government protests, and users voted for the Pearl roundabout as the ideal site for the events.

The website's founder, Ali Abdulemam, is now being tried in absentia for joining a terrorist plot to overthrow the government, and the disparate February 14 movement has lost many followers from its Facebook site as people fear arrest for political activity.

Since the Saudi-backed crackdown to end the protests, the authorities have demolished the Pearl monument and replaced it with a traffic intersection.

Pro-government activists have also logged on to counter anti-regime voices that were pointing the world's media to video clips of repression and reports on human rights abuses.

In full: www.ft.com/mideast

"This strengthens extremists ... and provides a pretext for greater Iranian involvement."

The government's campaign against pro-democracy protesters has allegedly widened to include local journalists working for foreign news agencies.

Mazen Mahdi, a photojournalist with the German Press Agency and Defense News, and Nazeeha Saeed, a reporter for France24 and Radio Monte Carlo, were detained for hours and questioned about their reporting. They said they were abused during their detention and released late Sunday and early Monday.

The country's reputation has been particularly damaged by its alleged targeting of the medical profession. Forty-seven doctors and nurses are facing trial and rights groups are concerned at claims that the police have tortured doctors to secure confessions.

One doctor, recently released after weeks in jail, says she was threatened with rape, beaten on a daily basis and forced to sign confessions. "There was a group of 60 men – they started cursing me, using dirty words," she told the FT. "They were slapping my face and then beating my neck and head. They told me to remain silent when they let me go, warning me that a case could be brought at any time."

The government says Salmaniya hospital was a hive of opposition activity, claiming that Shia doctors refused to treat Sunnis and aggravated protesters' wounds. The tough security clampdown, backed by Saudi Arabia, has been welcomed by many expatriates, who number around half of the island's 1.2m population. Some foreign workers were killed by protesters.

But others fear a grave future with increasing polarisation between cowed Shia and Sunni groups fearful of Iranian involvement in their country's politics.

Many expatriates, including Lebanese nationals who have been harassed because of suspected involvement with Hezbollah, are looking for jobs elsewhere.

"I came to Bahrain thinking it was the Beirut of the Gulf," says one banker, referring to the island's liberal outlook. "But it now reminds me of Lebanon for all the wrong reasons."

In-depth news and analysis, www.ft.com/arabprotests

EU sets sanctions to raise pressure on Assad

By Joshua Chaffin in Brussels

The European Union has imposed sanctions on Bashar al-Assad, Syria's president, in a further attempt to press his regime to halt a violent crackdown on pro-democracy protests.

The sanctions against Mr Assad and nine other senior regime officials include a travel ban and a freeze on assets held within the 27-member bloc. The curbs follow similar measures taken by the US a week ago.

EU foreign ministers said the bloc "condemns in the strongest terms the ongoing repression in Syria".

William Hague, the UK's foreign secretary, said the sanctions "target those responsible, in particular President Assad. He must change course and immediately introduce meaningful reforms."

In May, EU member states imposed sanctions on 13 top Syrian officials but took the controversial decision to leave Mr Assad off the list. France, in particular, and the UK had pressed for his inclusion but other nations, including Cyprus and Germany, argued that the EU should take a more gradual approach.

The hope was that sparing Mr Assad would help preserve a line of communication and allow the Syrian leader some room for manoeuvre. But that strategy appears to have failed as the regime has, if anything, intensified its crackdown, with casualties believed to have topped 900.

As the upheaval continues in Syria and across north Africa, the EU is seeking to overhaul its so-called neighbourhood policy, which aims to provide trade access, development aid and other inducements to countries in the region that embrace economic and political reform.

Murdoch signals push into education

News Corp chief in digital lessons move

Vision for learning outlined in G8 talk

By Tim Bradshaw in Paris

Rupert Murdoch signalled that News Corp, the media group he heads, is to make a significant new push into the education technology market, in a high-profile speech to the e-G8 conference of internet entrepreneurs and European policymakers in Paris.

Describing education as the "last holdout from the digital revolution", Mr Murdoch outlined a vision for personalised learning and more engaging lessons delivered by the world's best teachers to thousands of students via the internet.

"The same technologies that transformed every other aspect of modern life can transform education, provide our businesses with the talent they need to thrive, and give hundreds of millions of young people at the fringes of prosperity the opportunity to make their own mark on this global economy," he said.

'The technologies that transformed every other aspect of life can transform education'

With Joel Klein, the former New York schools chancellor hired by News Corp in November, Mr Murdoch has visited pioneering educational schemes and classrooms worldwide, including South Korea, California and Sweden.

"Our challenge is to learn from what works best – wherever in the world we find it – and put it all together," he said. "My company is determined to try – in a big way."

That determination will set News Corp on a collision course with more established education publishers such as Pearson, owner of the FT, and McGraw-Hill. Such companies have already invested heavily in digitising their materials and moving to more personalised learning and assessment, in spite of Mr Murdoch's assertion that "today's classroom looks almost exactly the same as it did in the Victorian age".

News Corp first indicated that it was taking the education technology market more seriously in November with the acquisition of 90 per cent of Wireless Generation, a New York company that tracks student performance through mobile devices and assessment software, for $360m.

It indicated then that further acquisitions would follow, even as it plans to spend £8bn or more on the acquisition of the 61 per cent of British Sky Broadcasting it does not own.

In an impassioned address to delegates at the e-G8 Forum, hosted by Nicolas Sarkozy, the French president, ahead of the G8 later this week, Mr Murdoch called on the assembled technology executives to do for education what they have already done for the media and advertising world.

"Now we need to ... make mathematics sticky, to micro-target the eight-grade girls who might want to be physicists and to personalise the reading for each student," he said. To engage young people in new ways, "the key is the software ... not a computer or a tablet or some other device".

Additional reporting by Jennifer Thompson in Paris

Rupert Murdoch spoke of revolution in education

Fast food: FreshDirect is planning to expand after better technology helped it become profitable

Online grocers gain ground in US

News analysis

Doubts remain about expanding beyond cities into the suburbs, writes Alan Rappeport

The online grocery business was billed a dotcom bust a decade ago, when venture capital-backed start-ups collapsed under the weight of ambitious expansion plans.

But Walmart's recent foray into the market shows how the business of food delivery has progressed during the past 10 years, adding pressure on existing companies and brick-and-mortar stores that have been looking to expand in the grocery delivery space.

Grocery delivery has been increasing as US consumers cope with soaring petrol prices. This has boosted demand, but the impact on sales is blunted because food trucks are fuel-hungry too.

FreshDirect in New York has been a case study of methodical expansion since it started delivering groceries around Manhattan nine years ago. The privately-held company learnt from the mistakes of failed companies such as Webvan and, after early missteps, has gradually expanded its footprint in New York, New Jersey and Connecticut.

An early participant in online grocery, FreshDirect – which sources food from farms to shorten the time between procuring and delivering – initially faced troubles with quality control and struggled to get orders correct. Better technology has helped the company become profitable and, with 20 per cent growth last year, it is planning a national expansion.

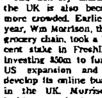
"There are going to be lots of people focused on it and we expect competition," says Jason Ackerman, founder and chief executive of FreshDirect. "That's why we've been so slow to roll out across the country because we have been so focused on how to get this model right."

Increased competition for key markets was highlighted in March when Peapod, a FreshDirect rival that was founded in 1989, made its debut in New York city. Peapod works with bricks-and-mortar chains such as Stop & Shop and Giant and now serves 11 states and Washington DC.

According to Peapod, online food shopping is more feasible now than it once was because of greater broadband access and the spread of smartphones, which has made buying even more convenient.

"The consumer is arriving to the concept," says Mike Brennan, chief operating officer and head of marketing at Peapod. "In 2000, it might have been too early."

Walmart's online pilot in San Jose, California, follows a similar experiment by Amazon, which sells groceries in some parts of the Seattle area. Meanwhile, US grocery chains such as Kroger, Safeway and Whole Foods all have started offering limited delivery options.



Challenges: Dalton Philips, Wm Morrison chief executive

The delivery market in the UK is also becoming more crowded. Earlier this year, Wm Morrison, the UK grocery chain, took a 10 per cent stake in FreshDirect, investing $50m to fund its US expansion and help develop its online business in the UK. Morrison is looking to vie for online customers with competitors such as Ocado and Tesco.

Although the concept of buying food online is gaining acceptance, sceptics still doubt that significant numbers of customers will choose to buy food without seeing and touching it first.

Meanwhile, some analysts argue the economic model can only work in areas of high population density, where delivery is more efficient and people rely less on cars. "At brick-and-mortar stores, the expenses are low because they are self-service," says Sucharita Mulpuru, an online grocery analyst at Forrester. "Online, you need to have trucks and every single order needs to be touched by several humans."

John Deighton, a professor specialising in consumer behaviour at Harvard Business School, doubts the success companies such as FreshDirect have had in New York will translate into other markets. "If customers live close together, as they do in Manhattan, and don't own cars, the cost of delivering groceries the last mile or two that the direct-to-customer grocer charges is accepted," he says, arguing that in the suburbs where driving and parking was convenient, less than 6 per cent of people would be willing to pay for delivery.

Even Dalton Philips, Morrison's chief executive, acknowledges the challenges online grocery faces outside of urban centres.

He predicts that areas suffering from low density of consumers will struggle to generate sufficient return on capital. "I'm not convinced the FreshDirect model in its current guise will work in rural areas."

However, one factor supporting the online grocery market is its room for expansion. The National Grocers Association estimates that online grocery represents just 1 to 2 per cent of the $1,000bn food market in the US.

"Obviously there was a bit of a false start 10 years ago, when people thought the traditional grocery store was going to go away," says Peter Larkin, head of the NGA. "I think as technology and access to broadband have improved, the future of online grocery is actually quite bright."

Additional reporting by Logan Sebert

VIDEO ON FT.COM

FreshDirect is one of a growing number of US online grocery businesses using technology to push expansion www.ft.com/groceries

Microsoft launches handset software upgrade

By Paul Taylor in New York

Microsoft launched a new version of its Windows Phone 7 smartphone operating system in New York on Tuesday, announcing that it would power the first of a new generation of Nokia handsets due to launch late this year.

The two technology companies in April finalised a deal to team up in the smartphone market as they try to fight back against the dominance of devices such as Apple's iPhone and those running on Google's Android.

Andy Lees, president of Microsoft's Mobile Communication Business, demonstrated a preview of the next version of Windows Phone software, codenamed "Mango," which he said would be available for free to Windows Phone 7 users this autumn and described as a major upgrade, launching the next chapter in Microsoft's mobile phone ambitions.

Microsoft launched the Phone 7 operating system seven months ago in an attempt to catch up with features found on the iPhone and Android-powered smartphones. But while Phone 7 has been well-received by reviewers, it has made little headway in the market in part because of the limited number of handsets on which it is available.

Microsoft has not disclosed how many Phone 7 handsets have been sold since its launch, but Gartner, the research group, estimates that about 1.6m Phone 7 smartphones were shipped in the first quarter. Microsoft's share of the mobile phone market in the first quarter was just 3.6 per cent however, against 36 per cent for Android-powered handsets.

Phone 7 handsets are currently available from Samsung, LG, HTC and Dell. Mr Lees said the Mango upgrade to Phone 7 would also be available on handsets from Acer, ZTE and Fujitsu. Mr Lees said the partnership with Nokia was proceeding well.

● Lawyers for Microsoft on Tuesday began an appeal against the European Commission in what looks set to be the final tussle in the antitrust battle in Europe which has ensnared the group for more than a decade, writes Nikki Tait in Brussels.

Most of the issues between the company and competition regulators in Brussels were settled at the end of 2009. But Microsoft has continued to pursue an outstanding appeal in one of the European Union's top courts over the right of the Commission to impose certain penalties during the lengthy legal struggle.

The Commission fined Microsoft €899m ($1.2bn) for non-compliance with its original decision, several years earlier, that the company had breached EU antitrust rules and abused a dominant market position in PC computer operating systems.

Interview with Andy Lees: www.ft.com/msvideo

Intel joins shift to China as executive takes Beijing brief

By Kathrin Hille in Beijing and Rahul Jacob in Hong Kong

Intel is moving Sean Maloney, one of its most senior executives, to Beijing as chairman of its China operations, reflecting the rise of China as one of the world's most important markets for multinationals.

Mr Maloney, an executive vice-president who was head of Intel's architecture group in Silicon Valley in California, has in the past been mentioned as a potential successor to Paul Otellini, Intel's chief executive.

"[It is] an unprecedented move for Intel to place one of its most senior executives in China," the company said. "It underscores the importance of China, which is expected to become the single largest PC consumption market for Intel next year."

The move follows the recent relocation to Hong Kong of other senior manufacturing executives.

Observers say multinationals increasingly view China as a market so crucial that they are ensuring their top executives gain a direct and thorough understanding of, and build personal relationships in, the market.

"Companies are looking at China as a second home market," said Joseph Ngai at McKinsey in Hong Kong. This meant building relationships with government and regulators, just as they would in their home markets, he said.

In December, Caterpillar, the world's biggest maker of earthmoving equipment by revenue, moved group president Rich Lavin from the US to Hong Kong – the first time the company put a member of its executive office in Asia.

In January John Rice, a vice-chairman at General Electric, was appointed to head the company's global operations – all business outside the US – from Hong Kong. He had been based in GE's US headquarters.

Ford Motor was an earlier mover, shifting its regional headquarters for Asia-Pacific and Africa from Bangkok to Shanghai in 2009, locating functional executives for the region for manufacturing, product development, purchasing and PR in China for the first time.

Analysts said there were strong logistical reasons for moving senior executives close to the Chinese market. "Face-to-face meetings are very important," Mr Ngai said.

A recent study by the European Union Chamber of Commerce in China and Roland Berger Strategy Consultants showed that 24 multinationals, including Walt Disney, Kraft Foods and Novartis, last year announced plans to shift regional headquarters to Shanghai.

The number of multinationals with regional headquarters in Shanghai rose from 224 in 2008 to 305 in 2010, including 74 Fortune Global 500 companies, according to the Shanghai statistics bureau.

Intel said Mr Maloney would take up the new position as chairman of Intel China and relocate to Beijing for two to three years.

Ian Yang, president of Intel China, will continue to serve in his position.

Additional reporting by Patti Waldmeir in Shanghai

www.ft.com/techhub

News digest

Mecom lures Endemol official

Tom Toumazis, chief commercial officer of television production company Endemol, has been appointed head of Mecom, the pan-European newspaper group, following a search process that has taken more than six months.

Mr Toumazis is expected to join the group in August when Stephen Davidson, currently executive chairman, will become non-executive chairman.

Mecom has been without a chief executive since David Montgomery, the group's founder and former chief executive, was ousted by rebel shareholders in January.

Mr Montgomery had indicated to Mecom's board that he wished to stay on as chief executive but Legal & General and Aviva threatened to call an extraordinary general meeting if he did not step down.

Salamander Davoudi, London

France Telecom bullish on 4G

France Telecom has stressed its determination to remain the leading operator in France after the government capped the amount of 4G wireless frequencies a single company can buy when they are auctioned at the end of the month.

"Our target is to be the leader in France for broadband networks, both fixed and mobile," Stéphane Richard, chairman and chief executive of France Telecom said on Tuesday.

While the conditions of the auction are "very complicated" the French group "will definitely apply to buy more spectrum", he said.

Eric Besson, industry minister, announced the limit on bids this month following lobbying by telecoms operators SFR, Bouygues and Iliad amid concern that France Telecom could establish a lead by acquiring most of the frequencies.

Jennifer Thompson, Paris

Focus on spectrum: Stéphane Richard

Mol buy-back to cost €1.9bn

Hungary is set to pay €1.9bn ($2.6bn) to buy back more than one-fifth of Mol, the oil and gas company, from Surgutneftegas, the secretive Russian energy group, ending a long-running share purchase saga that strained relations between Budapest and Moscow.

Surgut acquired a 21.2 per cent stake in Mol in 2009 from OMV, the Austrian energy group, which had failed in its attempt to acquire Mol via a hostile takeover.

Mol viewed the purchase as unfriendly and claimed OMV had acted as a front for Russian interests. It subsequently prevented Surgut from joining the share register or voting at its annual meetings.

"From a national strategic point of view, we have managed to place one of the most important corporations into safe hands," Viktor Orban, Hungary's prime minister, said. "No country can be strong if its energy supply is exposed."

Zsolt Hernadi, Mol's chairman, welcomed the share purchase as a move that would end uncertainty but said his company had not taken part in the agreement.

Surgut, Russia's fourth-biggest oil producer, has turned a profit of approximately €500m on its Mol investment after it paid €1.4bn for the stake in 2009. It declined to comment on Tuesday.

Chris Bryant, Vienna, and Catherine Belton, Moscow

Hana carrying on with KEB talks

South Korea's Hana Financial Group said it had agreed to continue talks to finalise its $4.1bn deal to buy Korea Exchange Bank from US buy-out fund Lone Star, a further delay on the long-awaited sale.

Both Hana and Lone Star want to buy some time to save what would be the country's biggest banking deal after unresolved legal disputes delayed regulatory approval this month.

Lone Star is also demanding a higher price for the KEB stake to reflect gains from the bank's recent sale of a stake in Hyundai Engineering & Construction, a Hana official, who requested anonymity, said.

Reuters, Seoul